

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2012-397-WS - ORDER NO. 2013-605

AUGUST 29, 2013

IN RE:	Application of Daufuskie Island Utility)	ORDER APPROVING
	Company, Inc. for Approval to Enter into a)	SUBSTITUTION OF
	Loan Agreement)	LENDER

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the request of Daufuskie Island Utility Company, Inc. (“DIUC” or “the Company”) for approval of the substitution of SunTrust Bank for Wells Fargo Bank as the lender in the transaction previously approved by this Commission in Order No. 2012-930. In that Order, the Commission approved DIUC’s request to enter into a loan agreement with Wells Fargo Bank, National Association (“WFB”). The purpose of that loan was to refinance existing term debt on the part of stockholder CK Materials, LLC, fund required capital expenditures to the existing water and sewer services on Daufuskie Island, and to fund general working capital.

Subsequent to the issuance of Order No. 2012-930, WFB decided not to proceed with the loan. SunTrust Bank has now issued a letter to DIUC, stating that it is willing to consider a loan comprised of a term loan of \$2,500,000 and a line of credit of \$500,000 on terms and conditions that are very similar to those proposed by WFB, which were previously approved by this Commission. DIUC is currently in the process of proceeding with the steps necessary to secure the loan from SunTrust. If approved, the purpose of the loan would remain the same as stated in Order No. 2012-930. We believe that it is

just and reasonable to substitute SunTrust for WFB as the lender in this previously approved transaction, and this request is approved.

The requirements of the Settlement Agreement outlined in Order No. 2012-515 remain in place, including, but not limited to the filing of an annual report scheduling the use of the funds of the loan, and the establishment of a capital reserve of no less than \$700,000 for capital repairs and improvements, with an annual report scheduling the use of the funds of the capital reserve account.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


Nikiya Hall, Vice Chairman

(SEAL)